# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5810
ANSWERED ON:11.05.2012
. INTEREST ON HOUSING LOAN
Dashmunsi Deepa

**Will the Minister of FINANCE be pleased to state:**

(a) the number of persons who were provided State Bank of India (SBI) Housing Loans in Delhi at fixed rate of interest between 2002 and 2005 and later on switched over to floating interest by paying the amount as prescribed by SBI;

(b) the number of times the rate of interests on housing loan was increased by SBI after 2005 and the total amount received by SBI upto 2012 year-wise from the above persons who were made to pay the increased rate of interest after switching over to floating rate of interest;

(c) the number of times the rates of interest on housing loan was reduced by SBI after 2005 and the details of benefits accrued to the above people who shifted from fixed to floating loans between 2012-2005;

(d) the reasons for not extending the benefits of the reduced rates of interest to the above people whenever the Government announces the reduction in rate of interest in housing loans; and

(e) the corrective steps taken or proposed to be taken by the Government to extend the facilities of the reduced rates of interest to the people who were shifted from fixed to floating loans between 2012 and 2005?

## Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a): State Bank of India (SBI) has reported that customers with Fixed Rate of loan were given the option to switch over to Floating rate of loans on 23.08.2003. Since the Bank did not have Core Banking Solution (CBS) at that time, no data regarding number of customers at Delhi is available with them.

(b) to (e); State Bank Advance Rate (SBAR) has moved up 15 times and moved dowr 5 times since 2005. Since floating interest rate moves up or down with the Bank`s Benchmark rate, any increased or reduction is automatically passed on to all the customers.

With a view to bring about uniformity in interest rates, all customers with floating rate home loans whose effective rate is higher than the current card rate, have been given the option to move to lower rate after paying a one time fee of 1% of outstanding loan amount.